

FISCAL NOTE
HB 2394 - SB 2635

March 24, 2004

SUMMARY OF BILL: Amends T.C.A. 4-51-111 to distribute excess funds in the special lottery proceeds account, known as the *after school programs special account*, to the various counties of the state for use in after-school programs. The money would be distributed to counties on the basis of population and would be paid on each July 1 by the State Treasurer. The bill would direct that funds within the county would be distributed to the local boards of education on the basis of average daily membership (ADM).

Present law provides for 50% of unclaimed lottery prize winnings being used to fund after-school programs in years where there is sufficient funding for lottery scholarships. In such years, the General Assembly may provide for appropriations for the *after-school programs account* in the General Appropriations Act.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - The Governor has included \$2,000,000 in the recommended budget improvements for FY2004-05 for after-school programs from the 50% share of unclaimed lottery prize money that is deposited in the After School Account. Under the bill, these funds would be distributed to the counties on the basis of population, which would then be distributed to the local boards of education within the county on the basis of ADM.

Estimate assumes that:

- under current statute, funds from unclaimed lottery prize money would be appropriated by the General Assembly to the Department of Education. It is assumed that the department would then determine the method of distribution of such funds.
- the bill would not change the total amount of funds expended for this purpose, but would provide a method of distribution of these funds by the department to the LEAs.
- since lottery funds are deposited to the After School Account at the end of the fiscal year (June 30), the pay-out of funds in the account to the counties would most likely not occur on July 1 but would occur by August 1.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director